



County of Los Angeles CHIEF EXECUTIVE OFFICE

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July 27, 2007

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

WASHINGTON, D.C. UPDATE

Federal Fiscal Year (FFY) 2008 Commerce/Justice/Science Appropriations Bill

On July 26, 2007, the House passed, 281 to 142, H.R. 3093, the Federal Fiscal Year (FFY) 2008 Commerce/Justice/Science (CJS) appropriations bill. Before passing the bill, the House approved, 388 to 39, an amendment by Representatives Lofgren (D-CA) and Dreier (R-CA) to increase State Criminal Alien Assistance Program (SCAAP) funding by \$55 million to \$460 million in FFY 2008, which is \$60 million more than FFY 2007 and \$85 million more than originally included in the bill by the House CJS Appropriations Subcommittee. The County's Washington, D.C. advocates worked with the Governor's Washington, D.C. staff to form an ad hoc state and local coalition, which lobbied successfully to increase SCAAP funding in the bill. A County-supported amendment, which added \$30 million for SCAAP, was approved by the House Appropriations Committee on July 12, 2007.

The County shortly will receive its \$10.5 million FFY 2006 SCAAP payment, which reimburses undocumented criminal alien incarceration costs incurred in 2004-05. Earlier this month, the County submitted its FFY 2007 SCAAP application, which requests reimbursement for costs incurred in 2005-06. Under Federal law, the County is required to spend its SCAAP revenue on corrections.

The House also approved, 229 to 196, a floor amendment to increase funding for the Southwest Border Prosecutor Initiative (SWBPI) by \$10 million to \$30 million in FFY 2008 – an increase of nearly \$10.4 million above its FFY 2007 funding level. This program reimburses state and local governments in Southwest border states for their cost of prosecuting and/or detaining defendants in criminal cases which were initiated, declined, or referred by the Federal law enforcement officials. The County received approximately \$1.9 million in SWBPI payments for the most recent 12-month claiming period. Federal SWBPI guidelines encourage, but do not require, that SWBPI payments be used for prosecution or detention services.

The Senate is expected to consider S. 1745, its FFY 2008 CJS appropriations bill, after Labor Day. The Bush Administration has threatened to veto either the Senate or House version because their overall funding levels exceed the amounts requested by the President. The House-passed bill provides \$2.3 billion more than requested by the President, including \$1.7 billion more for state and local law enforcement programs.

FFY 2008 Energy and Water Appropriations Bill

On July 17, 2007, the House approved a \$31.6 billion Federal Fiscal Year (FFY) 2008 Energy and Water appropriations bill (H.R. 2641), which funds Army Corps of Engineers (Corps) civil works projects, including those of importance to the County's Departments of Public Works and Beaches and Harbors. H.R. 2641 includes nearly \$1.1 billion in earmark requests for projects that the House Appropriations Committee approved on July 12, 2007. Most of the earmark package funding is for water-related projects.

The bill provides \$5.58 billion in overall Corps funding, which is \$246 million above the FFY 2007 level and \$713.4 million above the President's FFY 2008 budget request. H.R. 2641 includes the following earmarked funds for Corps projects of County interest:

- Arroyo Seco Watershed Feasibility Study (\$200,000);
- California Coastal Sediment Master Plan (\$300,000);
- Coast of California Storm and Tidal Wave Study (\$200,000);
- Sun Valley Watershed Feasibility Study (\$200,000); and
- Tujunga Wash Restoration Project, Phase II (\$500,000).

H.R. 2641 does not earmark any funding for dredging and maintenance of the Marina del Rey south entrance and main channel, which is one of the County's top funding priorities for the bill. However, the bill includes a total of \$2.55 billion for Corps operations and maintenance of coastal and inland navigation infrastructure, which is nearly 7.5 percent more than requested by the President. H.R. 2641 includes a total of \$140.6 million for operations and maintenance projects in Region 18 (California), which is \$25.9 million more than the total amount requested by the President for our region.

The Senate version (S. 1751), which was approved by the Senate Appropriations Committee on June 28, 2007, includes earmarks of \$2.55 million for Marina del Rey dredging and \$4.582 million for maintenance of the Los Angeles County Drainage Area, which are the same amounts requested by the President for those Corps projects. Senate floor action on S. 1751 is not expected until after Labor Day.

FFY 2008 Transportation/Housing and Urban Development (HUD) Appropriations Bill

On July 24, 2007, the House passed, 268 to 153, H.R. 3074, the FFY 2008 Transportation/HUD appropriations bill, which includes \$104.4 billion in overall funding, a 4.4 percent increase more than FFY 2007. S. 1789, the version which was reported by the Senate Appropriations Committee on July 12, 2007, includes \$104.6 billion in overall funding. Similar to most other FFY 2008 appropriations bills, the Administration is threatening to veto both versions because their overall funding levels exceed the amounts requested by the President.

Both bills rejected the President's proposal to reduce Community Development Block Grant (CDBG) formula grant funding from \$3.711 billion to \$2.775 billion in FFY 2008. The House bill increases CDBG formula grant funding to \$3.929 billion in FFY 2008 while the Senate bill maintains CDBG funding at roughly its FFY 2007 level. The County's FFY 2007 CDBG allotment is \$31.13 million. As seen in the attached chart with funding levels for HUD programs of County interest, both versions would provide less funding for the HOME Investment Partnerships Program than requested by the President, but more funding than FFY 2007. The County received a FFY 2007 allotment of \$12.81 million for the HOME program, which assists state and local governments in expanding the supply of affordable housing through a wide variety of strategies, such as housing rehabilitation and construction, down payment assistance and rental assistance.

The Senate bill includes \$1.586 million for Homeless Assistance Grants, which is the same level requested by the President and \$144 million more than FFY 2007. The House version includes \$1.561 billion for homeless programs. The Senate, but not the House bill, includes \$25 million for a rapid re-housing demonstration program under which homeless families would be quickly moved out of emergency shelters and into safe and stable housing. H.R. 3074 includes language directing HUD to insure that, to the greatest extent possible, funding is made available for all eligible services including permanent housing, transitional housing, and supportive services. Both bills include requirements that 30 percent of funding be spent on permanent supportive housing and that all homeless programs coordinate their programs with other health, social services, and employment programs for which homeless populations may be eligible, including Medicaid, Temporary Assistance for Needy Families, Food Stamps, Mental Health Block Grant, Substance Abuse Block Grant, and Workforce Investment Act programs.

The Senate bill includes County-supported language, which was included at the request of Senator Feinstein, that exempts the County from the Federal requirement to have a Section 8 or public housing tenant on the County's Public Housing Authority's (PHA) governing body. The governing body of the County's Housing Authority currently is the Board of Supervisors. The language specifically exempts the PHAs of the County and the States of Alaska, Iowa, and Mississippi from the tenant representation requirement. The County and these states, instead, will be required to establish an advisory board with not less than six residents of public housing or Section 8 housing to provide advice on issues relating to public housing and Section 8. The County currently has a Housing Commission comprised of two Section 8 participants and two public housing residents, which would have to be expanded to comply with the Senate language. H.R. 3074 does not include similar language.

Both versions repeal language in the FFY 1986 Transportation Act (Public Law 99-190) that prevents the use of Federal funds to construct subway tunnels for the Los Angeles Metro Rail project in areas deemed to have a potential risk of containing methane gas. On February 7, 2007, the House passed, on a voice vote, H.R. 238 (Waxman, D-CA), which also would repeal this restriction. The Senate will not consider its FFY 2008 Transportation/HUD appropriations bill until after Labor Day.

Student Loan Forgiveness for Prosecutors and Public Defenders

The Senate passed, 95 to 0, S. 1642, legislation to reauthorize the Higher Education Act (HEA). Before passing the bill, the Senate approved, by voice vote, an amendment by Senator Durbin (D-IL) to add the provisions of S. 442, his County-supported bill which would provide loan repayments of up to \$10,000 per year, subject to a maximum lifetime limit of \$60,000, for law school graduates who work as prosecutors or public defenders for at least three years. The amendment authorizes \$25 million for this new program in FFY 2008 and such sums as may be necessary in subsequent year, subject to annual appropriations.

HEA reauthorization legislation has yet to be reintroduced in the House. However, on May 14, 2007, the House passed H.R. 916 (Scott, D-GA), a student loan repayment bill which is similar to S. 442. Earlier this month, both houses passed differing versions of H.R. 2669, the College Cost Reduction Act of 2007, which is a comprehensive Federal student loan reform bill. Neither version includes a student loan forgiveness program for prosecutors and public defenders. However, both versions establish a student loan forgiveness program for a broader range of public sector employees, including, but not limited to, prosecutors and public defenders. This program would forgive up to only \$1,000 in loan payments per year, subject to a lifetime maximum of \$5,000. The bills also create an income-contingent repayment program under the direct student loan program, which would mainly benefit persons who have worked in a public sector job for ten years and whose student loan payments are high relative to their incomes.

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Conference committee negotiations to reconcile differences between the two versions of H.R. 2669 are unlikely to begin until after Labor Day. There also is speculation that H.R. 2669 and the HEA reauthorization legislation could be combined into a single bill in conference committee.

Stop AIDS In Prison Act of 2007

On July 25, 2007, the House Judiciary Committee approved H.R. 1943 (Waters, D-CA), the Stop AIDS in Prison Act of 2007. This County-supported bill requires HIV testing for Federal prison inmates upon entry, annually at the request of inmates, and prior to their release from Federal Bureau of Prison facilities. Inmates may opt out of routine HIV testing except for those who have been involved in an "exposure incident." The bill also requires HIV/AIDS awareness education for all inmates and comprehensive treatment for those inmates who test positive. It also includes provisions to protect the confidentiality of inmate tests and treatment.

We will continue to keep you advised.

WTF:SRH:GK
MAL:MT:dc

Attachment

c: Executive Officer, Board of Supervisors
 County Counsel
 All Department Heads
 Legislative Strategist

**FEDERAL FISCAL YEAR (FFY) 2008 FUNDING LEVELS FOR
HOUSING AND URBAN DEVELOPMENT (HUD) PROGRAMS
OF COUNTY INTEREST
(in millions)**

PROGRAMS	Enacted 2007	President 2008	House¹ 2008	Senate² 2008
Community Development Block Grant (Formula Grant)	\$ 3,711	\$ 2,775	\$ 3,929	\$ 3,708
Section 8 Tenant-Based Rental Assistance (Vouchers)	14,436	14,445	14,745	14,936
Section 8 Project-Based Rental Assistance (Contracts)	5,976	5,813	6,480	5,813
Section 8 Administrative Fees	1,281	1,351	1,351	1,351
Public Housing Operating Fund	3,864	4,000	4,200	4,200
Public Housing Capital Fund	2,439	2,024	2,439	2,500
Homeless Assistance Grants	1,442	1,586	1,561	1,586
HOME Investment Partnerships (Formula Grant)	1,680	1,917	1,701	1,792
Housing Opportunities for Persons with AIDS (HOPWA)	286	300	300	300

Footnotes

¹ In H.R. 3074, the FFY 2008 Transportation/HUD Appropriations Bill, as passed by the House on July 24, 2007.

² In S. 1789, the FFY 2008 Transportation/HUD Appropriations Bill, as reported by the Senate Appropriations Committee on July 12, 2007.